
By: **Delegates Cane, Bozman, Taylor, W. Baker, Billings, Bohanan, Conway,
D. Davis, Eckardt, Guns, Hurson, McClenahan, Menes, Morhaim, Oaks,
Owings, Rawlings, and Rudolph**

Introduced and read first time: February 28, 2001

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Credits for Electricity Purchased from Poultry Litter Electricity**
3 **Generating Facilities**

4 FOR the purpose of providing certain tax credits against the State income tax and the
5 public service company franchise tax for certain persons who purchase
6 electricity under certain qualified electricity purchase agreements from certain
7 qualified energy facilities designed to use poultry litter as the primary fuel
8 source; making the credit available to the purchaser of electricity or certain
9 affiliates of the purchaser; requiring a person claiming the credit to submit a
10 certain annual report on the credit claimed to the Public Service Commission;
11 requiring an electricity purchase agreement to meet certain requirements for
12 electricity purchases under the contract to be eligible for the tax credit;
13 requiring the owner or lessee of certain qualified energy facilities to repay to the
14 State in a certain manner the reduction in State tax revenues resulting from the
15 tax credits; providing that the Comptroller shall deposit certain payments in the
16 General Fund of the State; providing for a certain lien on certain qualified
17 energy facilities to secure a certain repayment obligation; requiring the owner or
18 lessee of certain qualified energy facilities to take certain actions relating to
19 certain liens; requiring the Public Service Commission, in consultation with the
20 Comptroller, to administer and enforce certain liens and security documents;
21 providing that the members, partners, or other equity holders of the owner or
22 lessee of certain qualified energy facilities are not individually liable for certain
23 repayment obligations; providing for the approval by the Public Service
24 Commission of certain facilities as qualified energy facilities with designated
25 maximum generating capacity for purposes of the tax credit, subject to a
26 maximum aggregate generating capacity of all qualified energy facilities that
27 may be approved by the Commission; providing that a qualified energy facility
28 that is approved by the Commission for purposes of the tax credit shall be
29 deemed to satisfy all other approval requirements of, or procedures before, the
30 Commission; requiring the owner or lessee of certain qualified energy facilities
31 to make a certain annual certification to the Commission regarding the use of
32 poultry litter at the facility; requiring the Commission and the Comptroller
33 jointly to administer the tax credit; altering a certain definition; defining certain

1 terms; declaring the policy of the State; providing for the application of this Act;
2 and generally relating to certain State tax credits for certain persons who
3 purchase electricity from certain qualified energy facilities under certain
4 qualified electricity purchase agreements.

5 BY repealing and reenacting, with amendments,
6 Article - Public Utility Companies
7 Section 1-101(j)
8 Annotated Code of Maryland
9 (1998 Volume and 2000 Supplement)

10 BY adding to
11 Article - Public Utility Companies
12 Section 7-701 through 7-708 to be under the new subtitle "Subtitle 7. Poultry
13 Litter Power Generating Facilities"
14 Annotated Code of Maryland
15 (1998 Volume and 2000 Supplement)

16 BY adding to
17 Article - Tax - General
18 Section 8-418 and 10-722
19 Annotated Code of Maryland
20 (1997 Replacement Volume and 2000 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article - Public Utility Companies**

24 1-101.

25 (j) (1) "Electricity supplier" means a person:

26 (i) who sells:

- 27 1. electricity;
- 28 2. electricity supply services;
- 29 3. competitive billing services; or
- 30 4. competitive metering services; or

31 (ii) who purchases, brokers, arranges, or markets electricity or
32 electricity supply services for sale to a retail electric customer.

33 (2) "Electricity supplier" includes an electric company, an aggregator, a
34 broker, and a marketer of electricity.

1 (3) "Electricity supplier" does not include:

2 (i) the following persons who supply electricity and electricity
3 supply services solely to occupants of a building for use by the occupants:

4 1. an owner/operator who holds ownership in and manages
5 the internal distribution system serving the building; or

6 2. a lessee/operator who holds a leasehold interest in and
7 manages the internal distribution system serving the building; [or]

8 (ii) a person who generates on-site generated electricity; OR

9 (III) A QUALIFIED ENERGY FACILITY APPROVED BY THE
10 COMMISSION UNDER TITLE 7, SUBTITLE 7 OF THIS ARTICLE.

11 SUBTITLE 7. POULTRY LITTER POWER GENERATING FACILITIES.

12 7-701.

13 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
14 INDICATED.

15 (B) "AVERAGE MARKET PRICE" MEANS, FOR EACH CALENDAR YEAR, THE
16 AVERAGE FOR ALL HOURS DURING THE CALENDAR YEAR OF THE DAY-AHEAD
17 HOURLY PRICE FOR ELECTRICITY AT THE "DELMARVA POWER & LIGHT SOUTH BUS"
18 AS THOSE PRICES ARE PUBLICLY REPORTED BY PJM AND USED IN PJM BILLING
19 CALCULATIONS.

20 (C) "CONSUMER PRICE INDEX" MEANS, FOR ANY CALENDAR YEAR, THE
21 CONSUMER PRICE INDEX (ALL URBAN CONSUMERS - WASHINGTON, D.C.-BALTIMORE
22 CMSA - ALL ITEMS) AS OF DECEMBER 31 PRECEDING THE CALENDAR YEAR AS
23 PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR
24 STATISTICS.

25 (D) "PJM" MEANS PJM INTERCONNECTION, LLC OR ANY SUCCESSOR
26 INDEPENDENT SYSTEM OPERATOR.

27 (E) "POULTRY LITTER" MEANS POULTRY MANURE AND LITTER, INCLUDING
28 WOOD SHAVINGS, STRAW, RICE HULLS, AND OTHER BEDDING MATERIAL FOR THE
29 DISPOSITION OF MANURE.

30 (F) "QUALIFIED ELECTRICITY CONTRACT" MEANS AN ELECTRICITY
31 PURCHASE AGREEMENT THAT:

32 (1) IS ENTERED INTO BETWEEN A WHOLESALE ELECTRICITY
33 PURCHASER AND THE OWNER OR LESSEE OF A QUALIFIED ENERGY FACILITY; AND

34 (2) SATISFIES THE REQUIREMENTS OF § 7-704 OF THIS SUBTITLE.

1 (G) "QUALIFIED ENERGY FACILITY" MEANS A FACILITY THAT:

2 (1) IS LOCATED IN A COUNTY THAT, AS OF JULY 1, 2001, IS A QUALIFIED
3 DISTRESSED COUNTY UNDER ARTICLE 83A, § 5-1501 OF THE CODE;

4 (2) IS DESIGNED TO USE POULTRY LITTER AS ITS PRIMARY FUEL TO
5 PRODUCE ELECTRICITY;

6 (3) IS ORIGINALLY PLACED IN SERVICE AFTER DECEMBER 31, 2002, BUT
7 BEFORE JANUARY 1, 2007; AND

8 (4) HAS BEEN APPROVED BY THE COMMISSION UNDER § 7-706 OF THIS
9 SUBTITLE AS A QUALIFIED ENERGY FACILITY WITH A DESIGNATED MAXIMUM
10 GENERATING CAPACITY, IN MEGAWATTS.

11 (H) "REQUIRED RATE" MEANS A RATE NOT EXCEEDING 8.5 CENTS PER
12 KILOWATT-HOUR AS ADJUSTED ANNUALLY BEGINNING ON JANUARY 1, 2002 BY THE
13 SAME PERCENTAGE AS THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX
14 FROM THE CONSUMER PRICE INDEX FOR THE PRECEDING YEAR.

15 (I) "REQUIRED RATE PERIOD" MEANS THE PERIOD BEGINNING ON THE DATE
16 A FACILITY COMMENCES COMMERCIAL OPERATION AND CONTINUING FOR 21 YEARS.
17 7-702.

18 THE GENERAL ASSEMBLY DECLARES:

19 (1) THE POLICY OF THE STATE IS TO PROMOTE THE PRODUCTION AND
20 USE OF "GREEN POWER" BY ENCOURAGING THE DEVELOPMENT OF ELECTRICITY
21 GENERATING PLANTS THAT ARE DESIGNED TO USE POULTRY LITTER AS A PRIMARY
22 FUEL;

23 (2) THE ATTENDANT ENVIRONMENTAL AND ECONOMIC BENEFITS OF
24 ELECTRICITY GENERATING PLANTS DESIGNED TO USE POULTRY LITTER AS A
25 PRIMARY FUEL ARE SIGNIFICANT;

26 (3) FROM AN ENVIRONMENTAL STANDPOINT, USING POULTRY LITTER
27 AS A "GREEN POWER" GENERATING FUEL FOR A FACILITY LOCATED ON THE
28 EASTERN SHORE:

29 (I) MITIGATES THE HARMFUL IMPACT ASSOCIATED WITH RUNOFF
30 INTO MARYLAND'S WATERWAYS FROM LAND SPREADING OF POULTRY LITTER AS A
31 CROP FERTILIZER; AND

32 (II) REDUCES RELIANCE ON FOSSIL FUEL FOR ELECTRICITY
33 GENERATION PURPOSES, THEREBY REDUCING THE CLIMATE ALTERING
34 "GREENHOUSE EFFECT" ASSOCIATED WITH AIR EMISSIONS FROM THOSE PLANTS;
35 AND

1 (4) FROM AN ECONOMIC STANDPOINT, USING POULTRY LITTER AS A
2 "GREEN POWER" GENERATING FUEL FOR A FACILITY LOCATED ON THE EASTERN
3 SHORE:

4 (I) HELPS SUSTAIN THE ECONOMIC VIABILITY OF MARYLAND'S
5 POULTRY INDUSTRY, THEREBY RETAINING AND ATTRACTING JOBS IN RURAL
6 COMMUNITIES DEPENDENT UPON THOSE INDUSTRIES FOR THEIR CONTINUED
7 ECONOMIC SURVIVAL;

8 (II) EXPANDS THE TAX BASE OF RURAL GOVERNMENT, THEREBY
9 HELPING TO OFFSET THE ESCALATING COSTS ASSOCIATED WITH THE PROVISIONS
10 OF REQUISITE PUBLIC SERVICES; AND

11 (III) ENCOURAGES THE DEVELOPMENT OF ELECTRICITY
12 GENERATING FACILITIES IN AN AREA OF THE STATE WITH RISING ELECTRICITY
13 DEMANDS AND HELPS ALLEVIATE EXISTING ELECTRICITY SUPPLY CONSTRAINTS.

14 7-703.

15 (A) A PERSON WHO PURCHASES ELECTRICITY FROM A QUALIFIED ENERGY
16 FACILITY UNDER A QUALIFIED ELECTRICITY CONTRACT MAY CLAIM A TAX CREDIT IN
17 THE AMOUNT PROVIDED IN SUBSECTION (B) OF THIS SECTION.

18 (B) (1) FOR EACH TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS
19 SECTION EQUALS THE AMOUNT, IF ANY, BY WHICH THE PURCHASER'S PAYMENTS
20 FOR ELECTRICITY AT THE REQUIRED RATE UNDER A QUALIFIED ELECTRICITY
21 CONTRACT DURING THE TAXABLE YEAR EXCEED THE AMOUNTS THAT WOULD HAVE
22 BEEN PAID FOR THE ELECTRICITY AT A RATE EQUAL TO THE GREATER OF:

23 (I) THE SUM OF:

24 1. THE AVERAGE MARKET PRICE; AND

25 2. 20% OF THE AVERAGE MARKET PRICE; OR

26 (II) 4.5 CENTS PER KILOWATT-HOUR, AS ADJUSTED ANNUALLY
27 BEGINNING ON JANUARY 1, 2002 BY THE SAME PERCENTAGE AS THE PERCENTAGE
28 CHANGE IN THE CONSUMER PRICE INDEX FROM THE CONSUMER PRICE INDEX FOR
29 THE PRECEDING YEAR.

30 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE
31 STATE TAX, ANY UNUSED CREDIT MAY BE CARRIED FORWARD AND APPLIED FOR
32 SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

33 (I) THE FULL AMOUNT OF THE CREDIT IS USED; OR

34 (II) THE EXPIRATION OF THE TENTH TAXABLE YEAR AFTER THE
35 TAXABLE YEAR IN WHICH THE CREDIT AROSE.

1 (3) THE TAX CREDIT ALLOWED UNDER THIS SECTION SHALL BE
2 AVAILABLE TO THE PURCHASER OF ELECTRICITY FROM A QUALIFIED ENERGY
3 FACILITY PURSUANT TO A QUALIFIED ELECTRICITY CONTRACT OR TO ANY PERSON
4 OR ENTITY THAT OWNS, EITHER DIRECTLY OR INDIRECTLY, 20% OR MORE OF THE
5 STOCK, OR OTHER EQUITY INTERESTS OF THE PURCHASER.

6 (4) THE SAME TAX CREDIT MAY NOT BE APPLIED BY MORE THAN ONE
7 TAXPAYER OR MORE THAN ONCE AGAINST DIFFERENT TAXES.

8 (C) ON OR BEFORE JULY 1 OF EACH YEAR, A PERSON CLAIMING A TAX CREDIT
9 UNDER THIS SECTION SHALL REPORT TO THE COMMISSION ON THE CREDIT
10 CLAIMED FOR THE TAXABLE YEAR THAT ENDED DURING THE PREVIOUS CALENDAR
11 YEAR, INCLUDING:

12 (1) THE AMOUNT OF THE CREDIT CLAIMED; AND

13 (2) THE QUALIFIED ENERGY FACILITY FROM WHICH THE ELECTRICITY
14 WAS PURCHASED.

15 7-704.

16 (A) A QUALIFIED ELECTRICITY CONTRACT SHALL OBLIGATE THE
17 ELECTRICITY PURCHASER TO PURCHASE ALL ELECTRICITY GENERATED AT A
18 QUALIFIED ENERGY FACILITY, UP TO THE APPROVED MAXIMUM GENERATING
19 CAPACITY, AT A RATE NOT EXCEEDING THE REQUIRED RATE FOR A PERIOD NOT
20 EXCEEDING THE REQUIRED RATE PERIOD.

21 (B) THIS SECTION DOES NOT PROHIBIT A QUALIFIED ELECTRICITY CONTRACT
22 FROM:

23 (1) HAVING A TERM IN EXCESS OF THE REQUIRED RATE PERIOD; OR

24 (2) PROVIDING FOR THE PURCHASE OF ELECTRICITY UNDER THE
25 CONTRACT AT ANY TIME BEFORE OR AFTER THE REQUIRED RATE PERIOD AT RATES
26 OTHER THAN THE REQUIRED RATE.

27 (C) (1) IN ANY CALENDAR YEAR, THE MAXIMUM AMOUNT OF ELECTRICITY
28 PURCHASED UNDER A QUALIFIED ELECTRICITY CONTRACT AT THE REQUIRED RATE
29 MAY NOT EXCEED THE PRODUCT OF MULTIPLYING:

30 (I) THE APPROVED DESIGNATED MAXIMUM GENERATING
31 CAPACITY, IN MEGAWATT HOURS PER HOUR, AS DETERMINED BY THE COMMISSION
32 AT THE TIME OF APPROVAL OF THE QUALIFIED ENERGY FACILITY; AND

33 (II) THE NUMBER OF HOURS IN THE CALENDAR YEAR.

34 (2) THE MAXIMUM GENERATING CAPACITY FOR A QUALIFIED ENERGY
35 FACILITY DESIGNATED BY THE COMMISSION IN ITS APPROVAL OF THE FACILITY MAY
36 NOT BE REDUCED AFTER THE EXECUTION OF THE QUALIFIED ELECTRICITY

1 CONTRACT ASSOCIATED WITH THE FACILITY EXCEPT WITH THE CONSENT OF THE
2 PARTIES TO THE QUALIFIED ELECTRICITY CONTRACT RELATING TO THE FACILITY.

3 (D) THE REQUIRED RATE CONTAINED IN ANY QUALIFIED ELECTRICITY
4 CONTRACT IS NOT SUBJECT TO ADJUSTMENT DURING THE TERM OF THE QUALIFIED
5 ENERGY CONTRACT DUE TO:

6 (1) THE INABILITY OF THE PURCHASER OR ITS AFFILIATES TO USE OR
7 OTHERWISE TAKE ADVANTAGE OF THE TAX CREDIT UNDER THIS SUBTITLE; OR

8 (2) ANY REPEAL OR AMENDMENT OF THE CREDIT UNDER THIS
9 SUBTITLE.

10 7-705.

11 (A) THE OWNER OR LESSEE OF A QUALIFIED ENERGY FACILITY THAT IS A
12 PARTY TO A QUALIFIED ELECTRICITY CONTRACT FOR THE QUALIFIED ENERGY
13 FACILITY SHALL REPAY TO THE STATE AN AMOUNT EQUAL TO THE ACTUAL
14 REDUCTION IN STATE TAX REVENUES RESULTING FROM THE TAX CREDITS
15 PROVIDED FOR IN § 7-703 OF THIS SUBTITLE WITH RESPECT TO THE FACILITY.

16 (B) (1) THE REPAYMENT REQUIRED UNDER THIS SECTION SHALL BE PAID
17 TO THE COMPTROLLER IN EQUAL SEMIANNUAL INSTALLMENTS OVER A PERIOD:

18 (I) BEGINNING IN THE CALENDAR YEAR IMMEDIATELY
19 FOLLOWING THE EARLIER OF:

20 1. THE CALENDAR YEAR IN WHICH THE FINAL PAYMENT IS
21 MADE IN RESPECT OF THE DEBT INCURRED TO FINANCE THE QUALIFIED ENERGY
22 FACILITY; AND

23 2. THE CALENDAR YEAR IN WHICH THE 26TH ANNIVERSARY
24 OF THE COMMERCIAL OPERATION DATE FOR THE QUALIFIED ENERGY FACILITY
25 OCCURS; AND

26 (II) ENDING IN THE CALENDAR YEAR IN WHICH THE 43RD
27 ANNIVERSARY OF THE COMMERCIAL OPERATION DATE FOR THE QUALIFIED ENERGY
28 FACILITY OCCURS.

29 (2) THE COMPTROLLER SHALL DEPOSIT PAYMENTS RECEIVED UNDER
30 THIS SECTION IN THE GENERAL FUND OF THE STATE.

31 (C) (1) THE REPAYMENT OBLIGATION UNDER THIS SECTION SHALL BE
32 SECURED SOLELY BY A LIEN ON THE REAL AND PERSONAL PROPERTY
33 CONSTITUTING THE QUALIFIED ENERGY FACILITY.

34 (2) THE LIEN SHALL BE IN ALL RESPECTS SUBORDINATE ONLY TO THE
35 INDEBTEDNESS USED TO FINANCE THE QUALIFIED ENERGY FACILITY.

1 (3) (I) THE OWNER OR LESSEE OF THE QUALIFIED ENERGY FACILITY
2 THAT IS A PARTY TO THE QUALIFIED ELECTRICITY CONTRACT SHALL FILE AND
3 RECORD ALL SECURITY DOCUMENTS NECESSARY TO ESTABLISH, MAINTAIN, AND
4 PERFECT THE LIEN UNTIL ALL AMOUNTS SECURED BY THE LIEN ARE PAID TO THE
5 STATE.

6 (II) THE LIEN SHALL BE ESTABLISHED ON OR BEFORE THE DATE
7 OF THE FINANCING OF THE QUALIFIED ENERGY FACILITY AND SHALL INITIALLY
8 SECURE THE MAXIMUM AMOUNT OF POTENTIAL STATE TAX CREDIT AVAILABLE IN
9 RESPECT OF THE QUALIFIED ENERGY FACILITY ASSUMING A 3% INCREASE PER
10 ANNUM IN THE CONSUMER PRICE INDEX DURING THE TERM OF THE QUALIFIED
11 ELECTRICITY CONTRACT.

12 (III) AT OR NEAR THE TIME THE REPAYMENT OBLIGATION UNDER
13 THIS SUBSECTION IS TO COMMENCE, THE OWNER OR LESSEE OF THE QUALIFIED
14 ENERGY FACILITY THAT IS A PARTY TO THE QUALIFIED ELECTRICITY CONTRACT
15 SHALL AMEND THE SECURITY DOCUMENTS RELATING TO THE LIEN TO REFLECT THE
16 ACTUAL AMOUNT OF REPAYMENT OBLIGATION SECURED BY THE LIEN.

17 (4) THE COMMISSION, IN CONSULTATION WITH THE COMPTROLLER,
18 SHALL ADMINISTER AND ENFORCE THE LIEN AND THE SECURITY DOCUMENTS
19 RELATING TO THE LIEN, INCLUDING, AS APPROPRIATE:

20 (I) DETERMINING THE RIGHTS OF A SECURED PARTY UNDER THE
21 LIEN;

22 (II) TAKING ACTION TO EXERCISE OR REFRAIN FROM EXERCISING
23 THE RIGHTS OF A SECURED PARTY UNDER THE LIEN; AND

24 (III) FORECLOSING THE LIEN AND PROVIDING FOR THE
25 DISPOSITION OF THE QUALIFIED ENERGY FACILITY AS COLLATERAL FOR FAILING TO
26 MAKE THE PAYMENTS SECURED BY THE LIEN.

27 (D) (1) THE MEMBERS, PARTNERS, OR OTHER EQUITY HOLDERS OF THE
28 OWNER OR LESSEE OF THE QUALIFIED ENERGY FACILITY ARE NOT LIABLE IN THEIR
29 INDIVIDUAL CAPACITIES FOR THE REPAYMENT OBLIGATION UNDER THIS SECTION.

30 (2) THE REPAYMENT OBLIGATION UNDER THIS SECTION SHALL BE AN
31 OBLIGATION SOLELY OF THE OWNER OR LESSEE OF THE QUALIFIED ENERGY
32 FACILITY THAT IS A PARTY TO THE QUALIFIED ELECTRICITY CONTRACT.

33 (E) INTEREST MAY NOT ACCUMULATE OR BE PAYABLE ON THE
34 ACCUMULATED TAX CREDITS FOR THE REPAYMENT OBLIGATION UNDER THIS
35 SECTION.

36 7-706.

37 (A) (1) THE AGGREGATE GENERATING CAPACITY OF ALL QUALIFIED
38 ENERGY FACILITIES APPROVED BY THE COMMISSION UNDER THIS SUBTITLE MAY

1 NOT AT ANY TIME EXCEED AN AGGREGATE OF 60 MEGAWATTS OF ELECTRICITY
2 AVAILABLE FOR SALE UNDER QUALIFIED ELECTRICITY CONTRACTS.

3 (2) IN CONSIDERING APPROVAL OF A FACILITY AS A QUALIFIED ENERGY
4 FACILITY UNDER THIS SUBTITLE, THE COMMISSION SHALL BASE ITS
5 DETERMINATION SOLELY ON:

6 (I) WHETHER THE FACILITY SATISFIES THE CRITERIA FOR A
7 QUALIFIED ENERGY FACILITY UNDER THIS SUBTITLE;

8 (II) WHETHER THE AGGREGATE 60 MEGAWATT LIMIT WILL BE
9 EXCEEDED BY APPROVING THE REQUESTED MAXIMUM GENERATING CAPACITY
10 REQUESTED FOR THE FACILITY; AND

11 (III) WHETHER A CONTRACT SATISFYING THE REQUIREMENTS OF A
12 QUALIFIED ELECTRICITY CONTRACT UNDER THIS SUBTITLE HAS BEEN EXECUTED
13 FOR THE PURCHASE OF ELECTRICITY GENERATED BY THE FACILITY.

14 (B) ON THE REQUEST OF THE OWNER OR LESSEE OF A QUALIFIED ENERGY
15 FACILITY OBLIGATED TO REIMBURSE THE STATE UNDER § 7-705 OF THIS SUBTITLE,
16 THE COMMISSION, AFTER CONSULTATION WITH THE COMPTROLLER, MAY APPROVE
17 TERMS AND CONDITIONS NOT INCONSISTENT WITH THIS SUBTITLE RELATING TO
18 THE REPAYMENT UNDER § 7-705 OF THIS SUBTITLE.

19 7-707.

20 (A) A QUALIFIED ENERGY FACILITY THAT IS APPROVED BY THE COMMISSION
21 UNDER THIS SUBTITLE SHALL BE DEEMED TO SATISFY ALL OTHER APPROVAL
22 REQUIREMENTS OF, OR PROCEDURES BEFORE, THE COMMISSION.

23 (B) (1) ON OR BEFORE JANUARY 15 OF EACH YEAR BEGINNING IN THE
24 CALENDAR YEAR IMMEDIATELY FOLLOWING THE YEAR IN WHICH A QUALIFIED
25 ENERGY FACILITY BEGINS COMMERCIAL OPERATION, THE OWNER OR LESSEE OF A
26 QUALIFIED ENERGY FACILITY SHALL CERTIFY TO THE COMMISSION THAT POULTRY
27 LITTER:

28 (I) IS THE PRIMARY FUEL USED TO GENERATE ELECTRICITY AT
29 THE FACILITY; AND

30 (II) COMPRISES AT LEAST 65% OF THE ANNUAL FUEL LOADING FOR
31 THE FACILITY.

32 (2) (I) IF IN ANY YEAR POULTRY LITTER DOES NOT COMPRISE AT
33 LEAST 65% OF THE ANNUAL FUEL LOADING FOR A FACILITY, THE FACILITY SHALL
34 HAVE 90 DAYS TO CORRECT THE DEFICIENCY AND COMMENCE OPERATIONS WITH
35 POULTRY LITTER COMPRISING AT LEAST 65% OF THE FUEL LOADING.

36 (II) IF A QUALIFIED ENERGY FACILITY FAILS TO CURE ITS FUEL
37 LOADING DEFICIENCY, THE FACILITY SHALL LOSE ITS DESIGNATION AS A QUALIFIED

1 ENERGY FACILITY UNTIL THE FACILITY USES POULTRY LITTER FOR AT LEAST 65% OF
2 ITS ANNUAL FUEL LOADING OVER A 12-MONTH ROLLING AVERAGE PERIOD.

3 (III) A QUALIFIED ENERGY FACILITY MAY NOT LOSE ITS
4 DESIGNATION AS A QUALIFIED ENERGY FACILITY UNDER THIS SUBTITLE IF THE
5 FAILURE TO SATISFY THE ANNUAL FUEL LOADING REQUIREMENT RESULTS FROM
6 THE UNAVAILABILITY OF POULTRY LITTER ON COMMERCIALY REASONABLE TERMS
7 AND CONDITIONS.

8 7-708.

9 THE COMMISSION AND THE COMPTROLLER JOINTLY SHALL ADMINISTER THIS
10 SUBTITLE.

11 **Article - Tax - General**

12 8-418.

13 A PUBLIC SERVICE COMPANY MAY CLAIM A CREDIT AGAINST THE PUBLIC
14 SERVICE COMPANY FRANCHISE TAX FOR ELECTRICITY PURCHASES UNDER A
15 QUALIFIED ELECTRICITY CONTRACT AS PROVIDED UNDER § 7-703 OF THE PUBLIC
16 UTILITY COMPANIES ARTICLE.

17 10-722.

18 AN INDIVIDUAL OR A CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE
19 INCOME TAX FOR ELECTRICITY PURCHASES UNDER A QUALIFIED ELECTRICITY
20 CONTRACT AS PROVIDED UNDER § 7-703 OF THE PUBLIC UTILITY COMPANIES
21 ARTICLE.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 July 1, 2001 and shall be applicable to all taxable years beginning after December 31,
24 2001.